

# Housing Finance Agency

www.dchfa.org

Description	FY 2003 Actual	FY 2004 Approved	FY 2005 Proposed	% Change from FY 2004
Operating Budget	N/A	\$6,088,786	\$6,083,473	-0.1

The mission of the Housing Finance Agency (HFA) is to stimulate and expand homeownership and rental housing opportunities for low and moderate-income families in the District of Columbia.

HFA was established in 1979 as a corporate body with a legal existence separate from the government of the District of Columbia to stimulate and expand homeownership and rental housing opportunities for low and moderate-income families in the District. The HFA issues tax-exempt mortgage revenue bonds to lower the cost of financing single-family housing and the costs of acquiring, constructing, and rehabilitating rental housing. In addition, the HFA issues taxable bonds and four percent low-income housing tax credits.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Finance those development projects within its investment niche that preserve, rehabilitate and produce affordable housing for at-risk and very low to middle-income persons.
- Fund 2,512 units of affordable housing at a total community investment of \$212.7 million in taxable and tax-exempt bonds.
- Provide homeownership counseling to approximately 2,000 borrowers.
- Complete physical and environmental improvements of HFA headquarters.

- Solidify the HFA's investment niche by working closely with stakeholders, the Mayor, Council, and government agencies to determine how the HFA can more effectively use its resources to help leverage other city dollars for neighborhood development.

## Gross Funds

The proposed budget is \$6,083,473, representing a decrease of 0.1 percent from the FY 2004 approved budget of \$6,088,786. This budget supports no District FTEs because HFA employees do not come under the District's merit personnel system. The budget is comprised entirely of Special Purpose Revenue funds.

## Programs

The Housing Finance Agency offers below market financing for first-time homebuyers, current homeowners, and multi-family developers by issuing tax-exempt mortgage revenue bonds to lower the cost of financing multi-family developments and single-family homeownership.

## Funding by Source

Table HF0-1 shows the sources of funding for the Housing Finance Agency.

Table HF0-1

### FY 2005 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
Special Purpose Revenue Fund	0	0	6,089	6,083	-5	-0.1
<b>Total for General Fund</b>	<b>0</b>	<b>0</b>	<b>6,089</b>	<b>6,083</b>	<b>-5</b>	<b>-0.1</b>
<b>Gross Funds</b>	<b>0</b>	<b>0</b>	<b>6,089</b>	<b>6,083</b>	<b>-5</b>	<b>-0.1</b>

## Expenditures by Comptroller Source Group

Table HF0-2 shows the FY 2005 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table HF0-2

### FY 2005 Proposed Operating Budget, by Comptroller Source Group

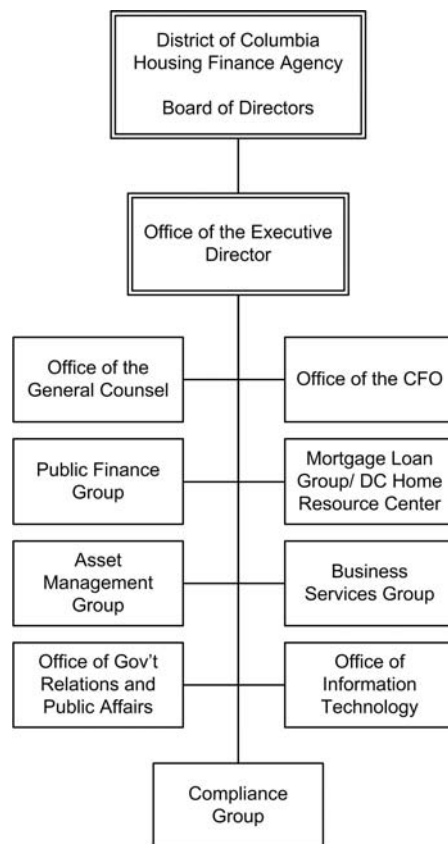
(dollars in thousands)

Comptroller Source Group	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
11 Regular Pay - Cont Full Time	0	0	3,214	3,404	190	5.9
12 Regular Pay - Other	0	0	102	94	-8	-8.2
13 Additional Gross Pay	0	0	65	62	-3	-4.6
14 Fringe Benefits - Curr Personnel	0	0	996	781	-215	-21.6
15 Overtime Pay	0	0	26	18	-8	-31.0
<b>Subtotal Personal Services (PS)</b>	<b>0</b>	<b>0</b>	<b>4,403</b>	<b>4,359</b>	<b>-44</b>	<b>-1.0</b>
20 Supplies And Materials	0	0	87	75	-12	-13.4
30 Energy, Comm. And Bldg Rentals	0	0	73	86	13	18.3
31 Telephone, Telegraph, Telegram, Etc	0	0	38	42	4	10.0
33 Janitorial Services	0	0	44	45	1	2.4
34 Security Services	0	0	2	2	0	1.8
40 Other Services And Charges	0	0	679	849	171	25.1
41 Contractual Services - Other	0	0	135	133	-2	-1.5
70 Equipment & Equipment Rental	0	0	231	284	53	23.0
80 Debt Service	0	0	396	206	-189	-47.8
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>0</b>	<b>0</b>	<b>1,685</b>	<b>1,724</b>	<b>39</b>	<b>2.3</b>
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>0</b>	<b>6,089</b>	<b>6,083</b>	<b>-5</b>	<b>-0.1</b>

Note - The agency presents its budgeted revenues and expenditures for the purpose of reporting. However, as a proprietary fund, under the current financial accounting structure, the agency's actual revenues and expenditures are not tracked in the District's System of Accounting and Reporting (SOAR) and may not be shown in this chart or in the Comprehensive Annual Financial Report (CAFR).

Figure HF0 - 1

## Housing Finance Agency



### Multi-Family Development

The HFA provides tax-exempt and taxable multi-family rental and co-op bond financing and tax credits. The HFA financed over 2,155 units of affordable housing through loans, tax-exempt bonds and tax credits in FY 2003. The HFA issued \$127 million in tax-exempt bonds for development projects producing the construction and rehabilitation of 2,099 affordable rental units. The HFA also provided loans totaling \$990,000 from the McKinney Act Savings Fund to help with the pre-development efforts for 51 housing units for low-income and homeless families.

The FY 2004 project pipeline is expected to yield 1,893 units from issuance of approximately \$145,268,700 in tax-exempt bonds and \$19,828,700 in taxable bonds. The HFA also issues taxable bonds to preserve its bond cap, and blending the low income tax credit to attract equity capital.

### Single-Family Development

- The HFA provides home-buying education and financial/credit counseling through its Home Resource Center. Information is available on financing options, city and government homebuying assistance and incentives like the \$5,000 tax credit, tax abatements, the HPAP, VPAP and MPAP programs to help with closing costs and many other incentives for the homebuyer.
- Because of the fluctuation in mortgage loan rates, the HFA originated five in-house mortgage loans during FY 2003. Through FY 2005, the HFA expects to provide low cost mortgage funding to District homebuyers through its low rate and assisted rate **Single Family Mortgage** program (which includes downpayment and closing cost assistance). This, however, is dependent upon the earnings spread between tax-

exempt mortgage rates and market mortgage rates.

The Home Resource Center shifted its focus to homeownership counseling and community outreach. Staff provided homeownership counseling to more than 2,000 individuals and held hundreds of free workshops, an effort that the HFA will continue through FY 2005.

## Agency Goals and Performance Measures

### Goal 1: Stimulate and expand homeownership and rental housing opportunities for low and moderate-income families in Washington, D.C.

*Citywide Strategic Priority Area(s):* Building Safer Neighborhoods

*Manager(s):* Mark Hall and Kamilah Parker, Development Analysts

*Supervisor(s):* Milton J. Bailey, Executive Director

#### Measure 1.1: Add new rental units to the District's housing stock

	2002	2003	Fiscal Year 2004	2005	2006
Target	2,798	2,644	1,793	2,512	1,800
Actual	1,727	2,150	-	-	-

#### Measure 1.2: Add new (new construction and vacant) units to the District's housing stock

	2002	2003	Fiscal Year 2004	2005	2006
Target	1,081	361	300	200	100
Actual	611	357	-	-	-

Note: HFA reduced the FY 2004 target from 800 to 300 (1/4/03).

#### Measure 1.3: Percentage of multi-family units occupied by District residents whose incomes are 50% of the AMI

	2002	2003	Fiscal Year 2004	2005	2006
Target	60	60	50	60	50
Actual	63	38.5	-	-	-

Note: HFA reduced the FY 2004 target from 65% to 50% (1/4/03).

#### Measure 1.4: Number of single-family and individual home purchases financed

	2002	2003	Fiscal Year 2004	2005	2006
Target	500	299	10	90	100
Actual	187	5	-	-	-